Creating a consumer-grade experience for employees with digital HR

What HR organizations can learn from successful customer service stories
Imagine this...

You are mid-flight with two hours left before your flight lands. You haven’t eaten all day and the airline just sold out of snacks. Amid your frustration and hunger, you turn to Twitter. Somewhat sarcastically, you send out a tweet asking your favorite steakhouse, which is 20 miles from the airport, to meet you at the airport when you land. Now imagine that the steakhouse actually does it.

That is exactly what Morton’s steakhouse did for one of its customers, which resulted in the restaurant renewing brand loyalty with existing customers and securing new customers after the story made its way into the headlines.
Breeding “customer” loyalty in the workplace

As consumers, we’ve been spoiled not only by excellent service by companies like Morton’s, but also by innovation. In fact, the very attributes that technology has enabled—simplicity, flexibility, convenience, personalization, and connection—have come to be what we expect, even demand, as consumers.

So how has this translated to the workplace? We’re seeing a changing set of values from companies’ internal customers—perhaps their most important business asset—as well as requests for more innovation, flexibility, and opportunity. Digital HR has become not just a “nice to have,” but a necessity for an organization’s future growth and acceleration. And just like a consumer who has a bad experience and moves onto another brand, your employees may also seek new experiences if their expectations are not being met.

Companies need to step up their employee experience efforts, so they start to more closely mirror the consumer experiences people have come to love and expect.

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Why “buy” now?

Upgrading digital HR practices can require significant investments in technology and communications, but the consequences of not keeping up with a consumer-grade experience can be significant, not only for brand reputation, and employee attraction and retention, but also for the bottom line.

**Talent shortages are forthcoming**
The workplace is undergoing massive change. Technological advances, shifts in the way work is being done, and the skill sets needed in today’s automated, digital world are all affecting how businesses operate. Gone are the days when there was a line down the block with qualified job candidates. Today’s marketplace has stiff competition for skilled talent. According to ManpowerGroup’s “2016 Talent Shortage Survey,” 40 percent of 42,000 employers surveyed are experiencing difficulties filling roles—the highest since 2007. To make matters more challenging for employers, Baby Boomers are continuing to retire at unprecedented rates, leaving open experienced hire positions for younger generations that have big expectations and even bigger voices—which they can use to express and amplify any kind of frustration or complaint with the touch of a button.

**Recruiting and employee retention efforts will intensify**
One example of how companies are losing candidates to the competition is in the employee onboarding experience, and how it may not always reflect what was envisioned by a new hire—leaving the opportunity ripe for competitors. Some candidates report feeling a “lack of attention” in a dead zone that exists from when an offer is accepted until the employee starts work. At this critical juncture, if a competitor can out-perform, using digital HR tactics to keep the candidate engaged and connected, it can intercept the offer. If it’s like that for a recruit, imagine the opportunities for your competitors to poach your top performers.

Turnover is more costly than you may think. According to the Center for American Progress, the median turnover cost is 21 percent of the lost employee’s annual salary, and can as much as double for executive or specialist level recruitment. These are avoidable costs that ultimately affect your bottom line and should be evidence enough to start prioritizing your employees.

**Research shows employees aren’t very engaged and companies are at risk**
The employee experience is increasing in importance. Yet in Deloitte’s 2017 Human Capital Trends report, only 22 percent of executives surveyed reported that their companies were excellent at building a differentiated employee experience. If this sounds like your company, don’t be discouraged. There are ways to make a shift that can have a dramatic impact for your organization. In fact, organizations with highly engaged employees experience a 3-year revenue growth rate 2.3 times greater than average.
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If you hope to accelerate growth, then you should also accelerate your investment in the productivity and well-being of your employees. This means taking the time to understand your workforce and their changing needs, and adopting strategies to improve their experience. Companies that can offer more flexibility in when, where, and how people work, will be at an advantage.
Organizations can look to successful consumer-focused organizations for guidance, as many parallels exist between the consumer and employee roles. Like customers, better employee understanding can not only improve satisfaction and retention, but also bolster innovation and performance. Turns out employee values are not so different from those of a consumer.

**Connectivity**

Employees today are used to being able to control everything in their personal lives from their smartphones—banking online, paying bills, scheduling appointments, ordering meals, shopping—all from the comfort of their homes. Newly graduated college students flooding the workforce are used to being able build their schedules based on their interests and preferred times. Coming from having control over things like schedules and development into a strict, hierarchical, one-size-fits-all workplace can make employees feel lost in the crowd.

Helping new employees adjust, and fostering connectivity for all employees, can make a big difference. Digital HR tools can enable employees to build their own learning and development plans, initiate conversations with management remotely, and work when and in the ways that work best for them as individuals. This will help foster independence while, somewhat ironically, helping them feel more like part of the community.

**Convenience**

Employees value flexibility and convenience. Having the ability to act when and where they want can strengthen employees' feelings of self-empowerment. Online shopping opened up so much more revenue opportunity to retailers because people could shop 24/7 and weren't restricted to store hours.

Companies that can offer more flexibility in when, where, and how people work, will be at an advantage. Traditionally, HR has functioned in a silo, responsible for compliance and service-oriented functions; however, as the workplace evolves, so does HR, with a chance to lead organizational change, including what Deloitte defines as “being digital.” Digital organizations are smart and agile. They offer self-service and are “on-demand” for employees—giving them access to the tools they need 24/7. That's convenience.

**Simplicity**

Simplicity is important in today's fast paced, hectic world. Keeping it simple means making it easy for employees to engage daily. Everyday items, like requesting a shift change or requesting vacation time, should be as simple as a click of a button, like ordering from Amazon. Conquering small tasks online increases everyone's productivity.

And in the HR world, employee reviews, management expectations, and open lines of communication should also be clear, simple, and available on the go. A Deloitte study revealed that when employees have clearly defined goals that are shared freely, everyone feels more comfortable and more work gets done.6

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Personalized experiences

Just as consumers value a customized shopping journey, tailored to their interests and needs, employees are demanding a personalized experience with their company that is catered to the individual, giving a greater sense of purpose and value. For example, at the Gaylord Opryland Resort & Convention Center, a guest liked the alarm clock provided in her room, which she looked for online for three years to no avail. She tweeted the hotel and, at her next stay, they had two clocks in her room, one with a note telling her it was hers to keep. It wasn’t costly to do it, but imagine how appreciated she felt.

Employers can follow the Gaylord Opryland example by valuing and expressing their support of each employee’s goals, interests, aspirations, and talent through clear, measurable actions. The most effective managers are those who build on their employees’ strengths and provide tailored training for areas of growth. No two employees are the same, and each has a unique experience to build upon and contribute to the organization. HR has been capturing data on employees for years; now HR can use data to build that one-to-one employee journey, which has proven to boost morale and performance. Just as retailers show customers what to buy and educate them about products and services, digital HR can offer employees opportunities that cater to their strengths. Training, company initiatives, and volunteer work, for example, can be tailored to the employees’ career path. Cognitive technologies can help create that experience based on their own online behaviors and interactions, and guide managers to take next steps.

Using digital HR, employers can provide self-directed, online, dynamic learning opportunities through the virtual workplace. For example, web conferences, augmented reality, and virtual reality are changing learning in a dynamic way. Creating a high-impact learning culture drives employee engagement, and in turn, can drive future profits with digital HR serving as the enabling factor.

Segmentation

Employers, like marketers, can segment their employees into groups with specific needs and goals. Segmented groups that have specific career needs and expectations, and could benefit from customized experiences and communications, could be divided by job level (from recruits, recent hires, new employees, managers, leaders, alumni, and retirees), as well as other applicable divisions, such as new parents, relocated personnel, or alt-scheduled employees. Once defined, a specific group can be targeted to improve the employee experience.

Service

Employee service, much like customer service, is extremely important in driving satisfaction and loyalty. This is especially important for older employees or in industries with employees who may not be as familiar with digital technologies.

A number of technology companies are known for their customer service. For example, in addition to providing detailed answers to frequently asked questions, Apple Inc. offers support through multiple mechanisms—online, through email, by phone and in person through its Genius Bar.

It is in making these small yet impactful strides towards putting the customer first and improving the overall experience that sets companies apart from the competition. Organizations that apply this approach to successfully create consumer-grade capabilities for recruits and employees—especially digital ones—are well positioned to be ahead of the curve in years to come. These organizations will likely hire some of the most talented people and be positioned to keep them. More satisfied employees typically yield stronger productivity and higher results for the bottom line. Employee satisfaction, like customer satisfaction, is becoming a critical success factor in an organization’s growth and future profits.

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Purpose
Increasingly organizations are emphasizing a commitment to social responsibility—focusing not only on profit-generation, but also on society as a whole. Some companies have even built their brand around their commitment to giving back.

For example, TOMS has been recognized for its philanthropic endeavors via its One for One model, in which the company helps a person in need with every product purchased.

Our research indicates that purpose is important to employees too. According to Deloitte’s 2016 Millennial Survey, of the millennials who responded that they plan to stay at an organization for more than 5 years, 88 percent report higher satisfaction with their organization’s sense of purpose. Mission-driven organizations have 40 percent higher levels of engagement, and they tend to be first or second in their market segment.

Digital technologies can enhance HR’s ability to communicate an organization’s social responsibility initiatives, offer learning opportunities aligned with an employee’s personal interests, and even suggest volunteer groups that might appeal to a particular employee. Now that’s meaningful.

Keeping employees happy
As talent shortages grow, companies that embrace digital HR will likely recognize a more satisfied and dedicated workforce. The secret to keeping happy employees isn’t so different from retaining satisfied customers—using tried and true consumer strategies and digital information to drive higher satisfaction.

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According to Deloitte’s 2016 Millennial Survey, of the millennials who responded that they plan to stay at an organization for more than 5 years, **almost 9 in 10** report higher satisfaction with their organization’s sense of purpose.
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Marc is a Managing Director in Deloitte’s Human Capital consulting practice. Marc has a deep background and extensive experience consulting with clients to transform their Human Resources functions. Recently he has focused on helping clients design and build consumer-grade employee experiences utilizing digital technologies.
Endnotes
